

## **STATEMENT OF PURPOSE**

### **RS22623C1**

This legislation identifies the acceptable securities to be deposited and maintained in a custodial account, and creates a fund and mechanism by which to handle security deposits retained to secure any future Workers' Compensation claims of a liquidated insurance carrier.

This legislation also creates a new section to address security for workers' compensation payment for employers that have a cost-reimbursement contract with the federal government. Under this contracting mechanism, employers are reimbursed by the federal government for their costs, including workers compensation coverage, directly from the federal government. Allowing cost-reimbursement contracts to satisfy the security requirements would eliminate the need for security deposits, a three-year payroll history and excess insurance coverage, while still ensuring payment for proper workers' compensation claims

### **FISCAL NOTE**

No fiscal impact to the General Fund or any Commission dedicated funds

#### **Contact:**

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